

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:600

ANSWERED ON:03.03.2005

INCREASE IN SECURITY DEPOSIT OF LPG DOMESTIC CYLINDER

Paraste Shri Dalpat Singh

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether security deposit of LPG domestic cylinder has been increased from Rs.650 to Rs.850;
- (b) if so, the reasons therefor;
- (c) whether the Government have increased the price of LPG; and
- (d) if so, the reasons therefor and the number of times it has been increased during the last three years ?

Answer

MINISTER OF PETROLEUM & NATURAL GAS AND PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) & (b): Consequent upon the increase in procurement price of LPG cylinders by the oil marketing companies (OMCs) due to increase in steel prices, the rate of security deposit on 14.2kg domestic LPG cylinders was increased effective 19th January 2005 from Rs.650 per cylinder to Rs.850 per cylinder for new connections. However, the rate of security deposit for North-Eastern States including Sikkim has not been increased and the same remains at Rs.500 per cylinder.

(c)&(d): The revisions in the retail selling prices (RSP) of 14.2kg domestic LPG cylinder at Delhi during the last three years are as under :

EFFECTIVE	DATE	RSP (RS/CYLINDER)	AT DELHI
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01.03.02	259.95
17.03.02	240.45
16.06.04	261.60
05.11.04	281.60

The increases on 16.06.04 and 05.11.04 were effected with a view to passing on a small portion of the increase in international prices of LPG to domestic consumers. Despite this marginal increase, OMCs had under-recoveries of around Rs.6403 crore on domestic LPG during April-December, 2004.